

Georgia Congressman calls for greater oversight of foreign ownership of American businesses directly involved in national security and military defense

Washington, DC - In the wake of today's news of an investigation into a state-owned business from the United Arab Emirates that is set to buy a factory in Rincon, Georgia, that produces parts for military tank and aircraft engines, 12th District Georgia Congressman John Barrow (D-Savannah) is calling on Congress to enact mandatory security investigations into all pending and future foreign acquisitions directly affecting American businesses involved in international transportation or defense contracting.

“Last week, we learned that a foreign company from a country with ties to 9/11 was getting ready to take over management for a handful of our nation's largest shipping ports,” Barrow said. “Today, we learn that another company controlled by the same government is looking to take over management of American plants that make parts for our country's military aircraft and tank engines. This is crazy.”

The Washington Post reported today that Dubai International Capital is getting ready to acquire the London based machining and alloy company Doncasters Group, Ltd. According to Bloomberg News, Dubai International Capital is controlled by the United Arab Emirate's ruling al-Maktoum family.

Of the nine plants Doncasters owns in the United States, one is a turbine and generator production facility in Rincon, GA.

Following the controversy surrounding the recent seaport deal, the Bush Administration has now decided to launch a national security investigation into the pending Dubai International Capital acquisition of Domcaster's Group, LTD.

"It shouldn't take a public relations embarrassment to force our government to do its job and conduct thorough security investigations into any and all foreign businesses trying to take over American companies engaged in work that affects our national security," Barrow said. "This is especially true when it comes to state-owned entities from the Middle East."

Congressman Barrow is already an original cosponsor of legislation that would force a 45-day investigation into the pending port deal (H.R. 4807). At the end of that investigation, the Department of Homeland Security and the Treasury Department will be required to brief Members of Congress on the investigation's findings, and provide Congress with the opportunity to disapprove the sale within thirty days after the investigation.

Barrow also believes that a greater oversight responsibility should be required from the Committee on Foreign Investment in the United States (CFIUS) for all such business transactions. By law, CFIUS is required to conduct a review of proposed acquisitions to evaluate national security concerns. However, reports indicate that CFIUS failed to conduct a thorough investigation of all security information prior to approving DP World's acquisition of 6 U.S. seaports.

"Congress should not have to pass a bill calling for a comprehensive security review each and every time a foreign business is looking to take over an American company," Barrow said. "We should be able to count on such a process already being in place. Congress ought to consider moving CFIUS from the Treasury Department to either the Department of Homeland Security or the Defense Department. We should also require that all relevant committees, along with members whose districts are directly affected by the proposed transactions, be briefed about any reviews that are being conducted. Right now, CFIUS seems to be in the business of passing the buck on thorough security investigations and keeping the American people in the dark. That needs to change."

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